THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) (a) and (b) : The Govt. of India have not constituted any panel at the apex level to expedite decisions on the infrastructure projects in the Central Sector. Several institutional arrangements to take expeditious decisions on Central Sector Projects have been provided for by the Govt. of India. These are:—

(i) New projects and revised cost estimates of on-going projects costing Rs. 50 crores and above is approved by the Public Investment Board (PIB) and smaller projects between Rs. 20 and Rs. 50 crores are approved by the Expenditure Finance Committee (EFC).

(ii) Approval of railway projects costing Rs. 50 crores and above are done by the Expanded Board chaired by the Chairman, Railway Board with Secretaries of the Planning Commission, Dept. of Expenditure and Dept. of Programme Implementation as Members.

(iii) The Cabinet Committee on Infrastructure (CCI) specially looks into the issues and problems of non-performance of on-going projects in the infrastructure.

Investment decisions are not taken at the Government of India level on projects from the various States/Union Territories and hence no pending list of projects State-wise is available. Collection and compilation of information from all States will take very long time and may not be commensurate with the results achieved.

Evasion of Tax Under VABAL Scheme

971. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the income tax department had been investigating the evasion of the tax by selling duty free imported raw materials obtained under the value-based advanced licensing (VABAL) scheme amounting to crores of rupees by some of the firms/parties as has been brought out in the India Today magazine dated 1—15 April, 1995;

(b) if so, the facts thereof and the action taken by the Government thereon; and

(c) the names of the firms/parties including the amount of tax evaded that sold the imported duty-free raw materials?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) to (c) It is presumed that the Hon'ble Member is referring to page 54 of the April 1—15, 1995 issue of India Today. It is true that the Income-tax Department is investigating evasion of tax in the case of M/s. M.S. Shoes East Limited and other concerns of this Group. This Group was searched in June, 1994 on allegations of misuse of VABAL amongst other allegations. Cases have been centralised in the Central Circle, Delhi for Coordinated investigation. The assessment proceedings have not yet been completed.

Sick Units

972. SHRI S. AUSTIN: Will the Minister of TEXTILES be pleased to state:

(a) the number of sick units under his Ministry;

(b) the total number of units on the verge of closure;

(c) whether BIFR has taken any final decision regarding these units;

(d) if so, the details thereof; and

(e) if not, by when a final decision is likely to be taken in the matter?

THE MINISTER OF TEXTILES (SHRI G. VENKAT SWAMY): (a) and (b) There are 12 Public Sector Undertakings under the Ministry of Textiles which have been declared as sick. The number of units involved are 116. None of the units has so far been closed under the I.D. Act.

(c) to (e) Of the twelve Public Sector Undertakings which have been referred to BIFR, three Public Sector Undertakings namely BIC, Elgin Mills Company Ltd., and Cawnpore Textiles

Ltd., comprising of five units have been ordered for closure by BIFR. Appeals in respect of these three undertakings are pending before AAIFR. No final decision has yet been taken in respect of the other Public Sector Units.

Government makes mockery of MoU Treasury Bills

973. SHRI SATISH AGARWAL:
SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has seen a report in the Pioneer of July 21, 1995 under the heading, "Government makes a mockery of MoU on treasury bills;"

(b) the facts in respect of the above report;

(c) the details of MoU signed between the Government and the Reserve Bank of India to limit the issuance of ad hoc treasury bills;

(d) the value of ad hoc 91 day treasury bills issued by RBI to the Central Government on June 16, 1995 and whether by July 14, 1995 the amount of ad hoc treasury bills issued by the RBI had risen to the level of Rs. 16065 crores.

(e) whether RBI had cautioned Government on 19th July, speaking at Madras against the rising deficit and borrowings; and

(f) if so, the response of Government thereto?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) Yes Sir.

(b) The report refers to an increase in Government financing through ad-hoc Treasury Bills as detailed in part (d) to the answer.

(c) An agreement was signed on 9th September, 1994 between the Government of India and the Reserve Bank of India with the aim of phasing out automatic recourse to RBI financing for the Budget. The details of the Agreement are:

(i) The net issue of ad hoc Treasury Bills at the end of the financial year 1994-95 should not exceed Rs. 6,000 crore.

(ii) The net issue of ad hoc Treasury Bills should not exceed Rs. 9,000 crore for more than 10 continuous working days at any time during the financial year 1994-95;

(iii) If the net of ad hoc Treasury Bills exceeded Rs. 9,000 crore for more than 10 continuous working days at any time during the year, the Reserve Bank of India will automatically reduce the excess level of ad hoc Treasury Bills by auctioning Treasury Bills or floatation of Government of India dated securities.

(iv) Similar ceiling for the net issue of ad hoc Treasury Bills would be stipulated for 1995-96 and 1996-97 and from 1997-98, the system of ad hoc Treasury Bills would be totally discontinued.

For the year 1995-96 it was stipulated that the net issue of ad hoc Treasury Bills should not exceed Rs. 5,000 crore at the end of 1995-96. The within-the-year ceiling for 1995-96 was fixed at Rs. 9,000 crore.

(d) to (f) The net issue of ad hoc Treasury Bills over the end of March 1995 level as on June 16, 1995 amounted to Rs. 13,635 crore. It came down to Rs. 8,895 crore as on June, 24, 1995. However, it rose to Rs. 16,065 crore as on July 14, 1995. The reasons for the large increase in ad hoc Treasury Bills in the first four months of 1995-96 are the relatively low volume of net market borrowing of the Government in this period. As on July 14, 1995, net market borrowing was only Rs. 2,985 crore against Rs. 12,056 crore for the comparable period in 1994. This is a temporary phenomenon and the Reserve